



**2013 YEAR-END
FINANCIAL AND
PERFORMANCE REPORT**

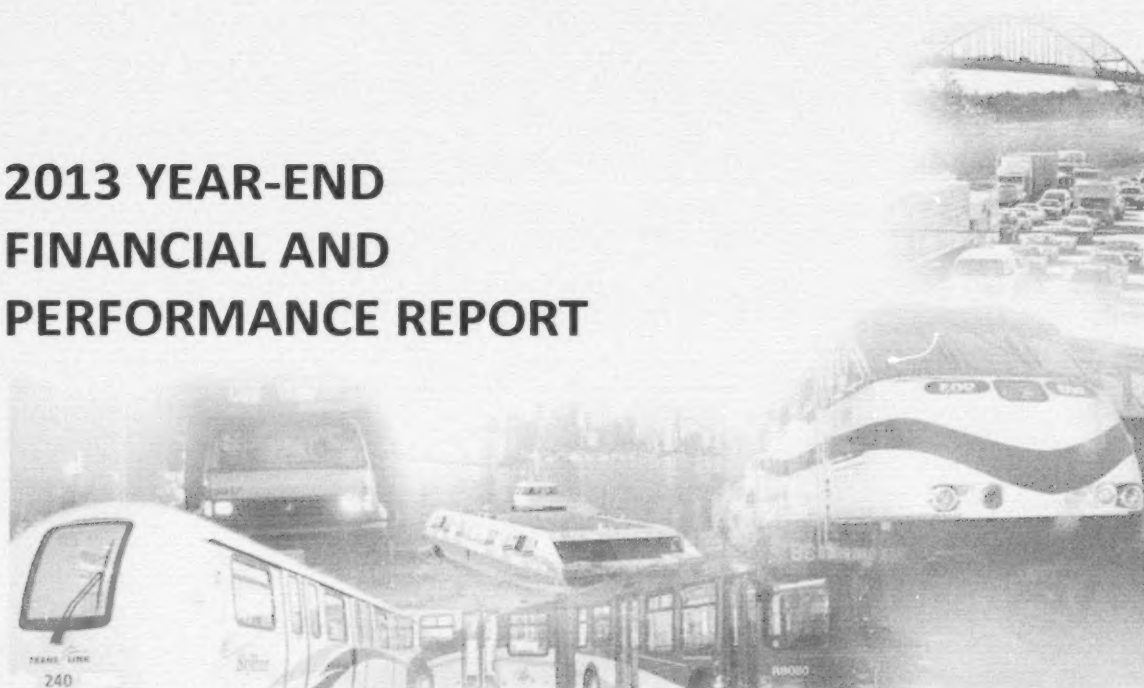


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EXECUTIVE SUMMARY

Stronger than expected financial results for 2013 provide certainty that we can continue to deliver existing roads and transit services in a safe and reliable manner.

Savings achieved by exceeding our cost reduction targets, delays in planned spending and reduced borrowing were the key factors in achieving a \$47.9 million surplus.

Strong financial performance enabled TransLink to fund a new bus link over the Port Mann Bridge and to introduce express bus service that links Surrey City Centre with Newton and Guildford town centers.

We have adequate revenues to fund our existing programs but we require additional revenues to fund much needed expanded service. The strong financial results in 2013 provide more certainty that we can meet our commitments and address the most critical service needs.

Over and above transit fares and tolls, TransLink relies on a variety of tax-based revenue sources to fund our integrated network of transit, roads, bridges, and cycling and pedestrian pathways. As such, TransLink is accountable to the taxpayers of the region to ensure we continually find ways to reduce the reliance on tax dollars for our services.

Cost-savings were achieved without service cuts to our customers. The savings were achieved through finding ways to provide more service using less equipment and manpower such as improving scheduling and reducing spare ratios for our various fleets.

Key performance indicators for service delivery and costs indicate strong performance. One factor to note is that ridership levels appear to have hit a plateau and our ridership estimates indicate a slight decline year over year, bringing them slightly above 2011 levels. Several factors would contribute to these results - fewer working weekdays in 2013, the fare increase implemented in January 2013, a decrease in BC employment and general state of the economy. One year of data does not provide adequate information to support a long term trend and we will be actively monitoring this factor.

STRATEGIC CONTEXT

TransLink aligns the organization around five strategic goals that identify the critical success factors for the organization. These goals are as follows:

Customer	Enhance the customer experience by providing valued service and infrastructure to road and transit users through innovation and excellent customer service
Financial	Enhance the financial viability of the organization
Stakeholder	Secure stakeholder support to plan, fund, build, and operate a sustainable transportation network
Internal Effectiveness	Develop processes and infrastructure to support an integrated approach to the efficient and effective delivery of transportation services
People	Build an aligned, engaged, accountable and customer-focused team

To support these goals, the 2013 Business Plan identified five strategic objectives:

Meet our customers' expectations in the implementation of Compass Card and infrastructure upgrades

The Compass Card and Fare Gate project (CCFG) will change the way we collect fares, interact with customers and plan service. A Compass "beta" test was completed in the fall, with 10,000 members of the public participating. Over 80,000 cards are now active for TransLink employees and Government BC Bus Pass customers. There will be a gradual transition to Compass Cards for customers through 2014. Public education and communications plans are well underway to ensure customers and stakeholders are well informed of the new system.

Manage within our financial framework

The 2013 financial results contributed \$47.9 million to the funded reserve. Bus service and SkyTrain frequency were optimized to improve cost effectiveness without significantly impacting customer service. TransLink applied aggressive cost-reduction efforts throughout the enterprise and was able to both delay borrowings and utilize commercial paper at a lower rate. New revenue sources were identified, including the ability to pursue fare infraction revenue as a result of new fare infraction legislation approved in 2012, and Park and Ride fees that were introduced at two lots in 2013.

Increase stakeholder confidence in TransLink's ability to efficiently deliver and manage the regional transportation system

TransLink's long-term strategic framework was adopted by the TransLink Board in July 2013. The Regional Transportation Strategy is a performance-based approach to achieve desired outcomes in the most cost-effective way possible. The focus areas include: coordinating transportation and land use in support of the region's growth strategy, encouraging smart travel choices, effective system management, maintaining transportation assets in a state of good repair, system expansion and financial sustainability. The next step is to develop a 15-year implementation plan in which will include significant stakeholder engagement, which will be developed in 2014.

Actively engage employees to plan, fund, build and operate a sustainable transportation network

The re-location of CMBC, Transit Police and TransLink to a single location at Sapperton in June 2013 has promoted employee engagement and teamwork. Employees actively participated in the Compass testing and provided feedback to the Compass project team as part of TransLink employees' commitment to continuous improvement. Personal and career development training courses are well received, highlighting TransLink's team desire to contribute to the overall success of the regional transportation network.

Improve efficiency and utilization of our resources

TransLink's subsidiaries have met the cost-saving efficiencies that were included in the 2013 budget. These include scheduling efficiencies, maintenance and operating efficiencies, rightsizing the transit fleet, and weekend frequency reductions on SkyTrain. CMBC achieved additional savings from labour cost reductions and bus scheduling efficiencies. The upgraded automatic train control system in the rail division continues to enable the rail division to realize operating savings.

1. FINANCIAL AND PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE AND INDICATORS

YEAR ENDING DECEMBER 31 (all numbers in millions except per unit calculations)										
	Actual	Actual	Actual	Actual	Actual	Year over Year		Budget	Budget Variance	Compound Annual
	2009	2010	2011 ¹	2012	2013	Change	%	2013	Fav/ (Unfav)	Growth Rate (CAGR)
FINANCIAL PERFORMANCE										
Revenue	1,045.6	1,303.3	1,316.3	1,421.5	1,443.6	22.1	1.6%	1,442.9	0.7	8.4%
Expenditures	1,264.5	1,361.8	1,368.5	1,430.8	1,406.8	(24.0)	(1.7%)	1,524.4	117.6	2.7%
Excess (deficiency) of revenue over expenses	(218.9)	(58.6)	(52.5)	(9.4)	36.8	(1.9)	20.3%	(81.5)	118.3	(145.2%)
FINANCIAL INDICATORS										
Cumulative funded surplus ¹	312.3	322.0	287.7	294.8	342.7	47.9	16.2%	215.1	127.6	59.3%
Tangible Capital assets	4,609.4	4,497.1	4,426.4	4,385.3	4,451.2	65.4	1.5%	4,520.8	(69.6)	(0.9%)
Net debt (bonds, debentures, short-term debt) ²	1,632.7	1,773.3	1,858.6	1,914.1	1,913.2	(0.9)	(0.0%)	2,174.2	261.0	12.0%
Deferred concessionaire credits and GFB contract liability ³	1,673.9	1,685.5	1,685.7	1,675.0	1,664.0	(11.0)	(0.7%)	1,663.9	(0.1)	(0.0%)
Total net debt ⁴	3,306.6	3,458.7	3,544.3	3,589.0	3,577.2	(11.8)	(0.3%)	3,838.1	260.9	6.8%
Total net debt as a % of operating revenue	346.7%	298.9%	305.3%	295.7%	280.3%	(15.4%)	(5.2%)	304.1%	23.8%	7.8%
Gross interest cost as a % of operating revenue	11.8%	13.8%	14.8%	14.6%	13.5%	(1.1%)	(7.5%)	14.3%	0.7%	5.1%

¹ The cumulative funded surplus as calculated under the SCBIA Act is the amount of resources available to fund future operations.

² Balance net of debt reserve deposits and sinking funds.

³ Includes deferred concessionaire credits and Golden Ears Bridge contractor liability.

⁴ Net debt + deferred concessionaire credits and GFB contractor liability.

⁵ Compound annual growth rate (CAGR).

⁶ Net adjustment of recoveries and gain on disposal from expenditures to revenue (\$5.2 million) per PSAB guidelines.

Revenues increased by \$22.1 million (1.6 per cent) over 2012, which was driven by increased transit revenue and taxation revenue, partially offset by a reduction due to the gain on disposal that occurred in 2012. Expenditures were \$24 million lower than 2012, mainly as a result of efficiencies and productivity improvements and debt servicing costs. The cumulative funded surplus increased \$47.9 million (16 per cent) to \$343 million in 2013. Total net debt remained almost unchanged from 2012, as the increase related to the self-administered sinking funds in accordance with the debt management policy was offset by funds used to pay off some MFA debt that was due for refinancing. The Deferred Concessionaire Credits dropped in accordance with its amortization over the Canada Line operating term but the decrease was partially offset by the Golden Ears Bridge contractor liability which increased as interest accumulates on the outstanding balance until principal payments commence in 2015.

2013 revenues exceeded budget by \$0.7 million. Taxation revenues were \$20 million (2.7 per cent) favourable to budget, offset by an unfavourable \$13 million variance as the budgeted gains on disposal in 2013 did not occur. Expenditures for 2013 were \$117.6 million (7.7 per cent) below budget, as a result of enterprise-wide cost-saving initiatives. The cumulative funded surplus is \$127.6 million favourable to the budget target.

OPERATING INDICATORS

YEAR ENDING DECEMBER 31										
(all numbers in millions except per unit calculations)										
	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Year over Year Change %		Budget 2013	Budget Variance Fav/ (Unfav)	Annual Growth Rate (CAGR) 2009-2013 ¹
OPERATING INDICATORS										
Scheduled Transit Service										
Overall Performance Rating (out of 10)	7.3	7.6	7.6	7.7	7.6	(0.1)	(1.3%)	7.7	(0.1)	(1.3%)
Service hours	6.0	6.4	6.3	6.3	6.2	(0.1)	(2.0%)	6.3	(0.1)	(0.8%)
Operating cost recovery	48.1%	51.3%	52.5%	51.7%	55.4%	3.7%	7.2%	52.0%	3.4%	6.5%
Operating cost per service hour	\$ 126.11	\$ 133.08	\$ 133.64	\$ 140.94	\$ 143.55	\$ 2.61	1.9%	\$ 153.27	\$ 9.72	6.3%
Complaints per 1 million boarded passengers	82.3	85.9	87.5	82.1	98.0	15.9	19.4%	69.5	(28.5)	(41.0%)
Capacity kilometres ¹	-	-	10,636.2	10,703.1	10,531.4	(171.6)	(1.6%)	10,419.4	112.1	1.1%
Operating cost per capacity kilometre ¹	-	-	\$ 0.079	\$ 0.083	\$ 0.085	\$ 0.002	2.4%	\$ 0.092	\$ 0.007	7.6%
Access Transit Service										
Service hours	0.5	0.6	0.6	0.6	0.6	-	-	0.6	-	3.0%
Operating cost per service hour	\$ 78.38	\$ 76.39	\$ 77.22	\$ 80.61	\$ 83.42	\$ 2.81	3.5%	\$ 82.33	\$ (1.09)	(1.3%)
Complaints per 1 million boarded passengers	1,221.8	883.5	913.4	1,037.8	1,045.2	7.4	0.7%	868.8	(176.40)	(20.3%)
Golden Ears Bridge										
Crossings	3.5	8.7	9.8	10.8	11.0	0.2	2.0%	11.5	(0.5)	(4.3%)
Average toll per crossing	\$ 3.26	\$ 3.40	\$ 3.45	\$ 3.60	\$ 3.58	\$ (0.02)	(0.6%)	\$ 3.48	\$ 0.10	2.9%

¹ Capacity kilometres not reported until 2011

² Compared control month into CAGR. For items with no data in 2009, CAGR is based on annualized data from the first year of available information

¹ Capacity kilometres not reported until 2011.

² Compound annual growth rate (CAGR). For items with no data in 2009, CAGR is based on annualized data from the first year of available information.

Scheduled Transit Service (Conventional)

Service hours were lower in 2013 than 2012 reflecting two fewer business days; 2012 was a leap year and Family Day was introduced in 2013. In addition, efficiency improvements reduced non-revenue service hours for buses without an impact on the service delivered to customers.

Operating cost per service hour in 2013 at \$143.55 is 6.3 per cent lower than budget. This is the result of a continued focus on cost reductions throughout the entire enterprise. The year-over-year increase is lower than inflation at 1.5 per cent.

Complaints per million boarded passengers increased to 98.0 in 2013 from 82.1 in 2012. Complaints in 2013 focused mainly on tariff changes, Compass testing, and service adjustments.

Capacity kilometres are lower in 2013 reflecting a change in the fleet mix to better match capacity with demand.

Operating cost per capacity kilometre is 2.4 per cent higher in 2013 compared to 2012, which represents a modest increase in operating cost and a lower number of capacity kilometres. In 2013, the operating cost per capacity kilometre was 7.6 per cent better than budget due to cost-containment strategies.

Access Transit Service

The Access Transit service hours delivered are slightly fewer than budgeted, due to the Taxi Pilot Project in 2013; 10,000 service hours were converted to taxi trips. This resulted in over 9,000 more HandyDART trips being delivered with the same budget than would have been possible using conventional HandyDART vehicles.

The reduction in service hours also resulted in operating cost per service hour looking unfavourable, as the same fixed costs were divided by fewer service hours. However, the cost per trip indicates a slight improvement with the re-allocation of hours to taxis.

Complaints per million boarded passengers increased marginally from the previous year - while there were slightly fewer complaints, boardings were lower than in the previous year.

2. CONSOLIDATED STATEMENT OF OPERATIONS ANALYSIS

Consolidated Revenues

Consolidated Revenues (\$millions)	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Year over Year		Budget 2013	Budget Variance		Compound Annual Growth Rate (CAGR) 2009-2013
						Change	%		Fav./ (Unfav.)	%	
Taxation	575.8	689.8	682.4	714.4	741.3	26.9	3.8%	721.6	19.7	2.7%	6.5%
Transit	366.8	437.9	444.7	460.6	495.6	35.0	7.6%	500.6	(5.0)	(1.0%)	7.8%
Golden Ears Bridge Tolls	11.3	29.6	33.7	38.9	39.4	0.6	1.4%	40.1	(0.7)	(1.7%)	36.7%
Emissions Testing	17.5	19.5	18.4	20.3	19.6	(0.6)	(3.1%)	20.2	(0.5)	(2.7%)	2.9%
Transfers from Other Governments *	43.0	83.4	82.3	85.2	84.6	(0.6)	(0.7%)	85.9	(1.3)	(1.6%)	18.4%
Amortization of Deferred Concessionaire Credit	9.1	23.1	23.3	23.3	23.3	(0.1)	(0.3%)	23.1	0.2	0.8%	26.6%
Interest Income	22.2	19.9	26.1	31.7	34.2	2.5	8.0%	36.7	(2.5)	(6.9%)	11.4%
Miscellaneous Revenue			5.0	5.6	5.8	0.2	3.4%	1.7	4.1	237.0%	7.4%
Revenue before Gain/(Loss) on Disposal of Assets	1,045.6	1,303.3	1,315.9	1,379.9	1,443.7	63.9	0.0	1,429.9	13.8	1.0%	8.4%
Gain/(Loss) on Disposal			0.2	41.6	(0.2)	(41.8)		13.0	(13.2)	(101.3%)	
PSAB/GAAP Total Revenue	1,045.6	1,303.3	1,316.1	1,421.5	1,443.6	22.1	1.6%	1,442.9	0.6	0.0%	8.4%
Funding Adjustments:											
Emissions Testing	(17.5)	(19.5)	(18.4)	(20.3)	(19.6)	0.6	3.1%	(20.2)	0.5	2.7%	2.9%
Transfers from Other Governments	(35.5)	(64.2)	(60.6)	(65.1)	(64.9)	0.2	0.3%	(66.4)	1.5	2.3%	16.3%
Amortization of Deferred Concessionaire Credit	(9.1)	(23.1)	(23.3)	(23.3)	(23.3)	0.1	0.3%	(23.1)	(0.2)	(0.8%)	0.3%
Interest Income	(20.5)	(17.8)	(22.2)	(27.4)	(28.6)	(1.2)	(4.5%)	(29.4)	0.7	2.5%	8.8%
Funded Total Revenue	963.0	1,178.7	1,191.6	1,285.4	1,307.1	21.7	8.5%	1,303.9	3.2	(0.2%)	7.9%

* Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Overview

Total revenues were \$22.1 million (1.6 per cent) higher than 2012 with increases in both taxation and transit revenue, partially offset by a one-time Gain (Loss) on disposal of assets in 2012.

Compared to budget, revenues before gain (loss) on disposal of assets were \$14 million (1 per cent) favourable.

Taxation

Taxation Revenues (\$millions)	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Year over Year		Budget 2013	Budget Variance		Compound Annual Growth Rate (CAGR) 2009-2013
						Change	%		Fav./ (Unfav.)	%	
Fuel tax	259.8	323.2	311.8	335.3	349.1	13.8	4.1%	335.1	13.9	4.2%	7.7%
Property and replacement tax	282.1	289.6	298.1	306.7	316.3	9.6	3.1%	314.1	2.3	0.7%	2.9%
Parking rights tax	15.6	58.4	53.7	53.2	56.6	3.4	6.5%	52.9	3.7	7.1%	38.0%
Hydro levy	18.2	18.6	18.8	19.2	19.3	0.1	0.3%	19.5	(0.2)	(1.1%)	1.4%
Total Taxation Revenue	575.8	689.8	682.4	714.4	741.3	26.9	3.8%	721.6	19.7	2.7%	6.5%

Under the *South Coast British Columbia Transportation Authority Act*, TransLink is permitted to raise revenues by means of taxes.

Year over Year

Fuel tax revenue increased \$13.8 million (4.1 per cent) over 2012, largely due to the full-year impact of a 2 cent per litre increase that was implemented in April 2012. A small portion of the increase was attributed to an average of 1.4 per cent higher fuel volumes compared to 2012 which was driven by diesel.

Property taxes increased \$9.6 million (3.1 per cent) from 2012. Replacement tax rates were set in 2013 to collect the permitted \$18 million from all allowable property classes.

Parking rights taxes increased \$3.4 million (6.5 per cent) in 2013, due to higher remittances from larger parking management companies within the Region.

Actual vs. Budget

Fuel tax revenue in 2013 was \$13.9 million (4.2 per cent) favourable to budget, as a result of higher than expected volumes from diesel fuel.

Property tax revenue was \$2.3 million (0.7 per cent) above the budget which included an adjustment for changes to property values from municipalities completed rolls. The 2013 final assessed property values remained largely unchanged resulting in higher revenues than expected.

Transit Revenue

Transit Revenues	Actual	Actual	Actual	Actual	Actual	Year over Year		Budget	Budget Variance		Compound
(\$millions)	2009	2010	2011	2012	2013	Change	%	2013	Fav./ (Unfav.)	%	Annual Growth Rate (CAGR) 2009-2013
Transit - fares											
Farebox	88.5	107.8	109.4	109.2	109.3	0.1	0.1%	90.9	18.5	20.3%	5.4%
Prepaid fares	208.7	236.1	246.9	253.1	275.5	22.3	8.8%	302.1	(26.6)	(8.8%)	7.2%
Prepaid contract	59.4	69.2	77.3	86.0	96.4	10.4	12.1%	91.6	4.7	5.2%	12.8%
Total transit fares	356.6	413.0	433.6	448.3	481.2	32.8	7.3%	484.6	(3.4)	(0.7%)	7.8%
Transit - other	10.1	24.9	11.2	12.3	14.4	2.1	17.3%	16.0	(1.6)	(10.3%)	9.2%
Total Transit Revenue	366.7	437.9	444.7	460.6	495.6	35.0	7.6%	500.6	(5.0)	(1.0%)	7.8%
Watership											
Boarded passengers	314.6	348.7	356.2	363.2	355.2	(8.0)	(2.2%)	372.6	(17.5)	(4.7%)	3.1%
Revenue passengers	189.1	218.8	233.3	238.8	233.9	(4.9)	(2.1%)	234.7	(0.8)	(0.3%)	5.5%
Average fare/revenue passenger	\$ 1.89	\$ 1.89	\$ 1.86	\$ 1.88	\$ 2.06	\$ 0.18	9.6%	\$ 2.06	\$ -	-	2.2%

Transit revenue consists of transit fares and other transit-related revenues such as advertising and fare infractions.

Year over Year

Transit fares were up \$32.8 million (7.3 per cent) over 2012 due to a January 1, 2013 fare increase on cash and pass products. This increase was partially offset by fewer boardings and a shift in favour of prepaid pass products such as FareSavers. Prepaid contract fares were up \$10 million (12 per cent) over 2012, due to re-negotiated rates for both Government Bus Pass and U-Pass BC program.

Other transit revenue increased \$2.1 million (17.3 per cent) from 2012. Fare infraction revenue increased \$1.3 million, reflecting a full year of TransLink collecting fare infraction fines. Advertising revenue increased \$0.8 million (9.4 per cent) to \$9.3 million in 2013 as a result of an annual contractual increase plus additional revenues for LCD screen advertising at SkyTrain stations.

Actual vs. Budget

Transit fares were \$3.4 million (0.7 per cent) unfavourable to budget. The mix between farebox (cash) and prepaid fares shows large variances to budget due to the timing of the implementation of Compass Card and stored value. The net variance of \$8.1 million below budget is due to a decrease in ridership and greater move to lower fare products or better value-for-money products. Prepaid contract fares were \$4.7 million favourable (5.2 per cent) to budget due to re-negotiated rates for Government Bus Pass and higher participation in U-Pass BC program.

Transit – other revenue was \$1.6 million (10 per cent) below budget due to the implementation timing of the Park and Ride strategy. Parking fees were introduced at the Carvolth and South Surrey Park and Ride lots late in 2013.

Golden Ears Bridge Tolls

Year over Year

Golden Ears Bridge tolls increased \$0.6 million (1.4 per cent) in 2013. Crossings were up by 2.1 per cent; however, the average rate decreased 2 cents due to customers taking advantage of the most discounted toll rate offered when using the TReO (Port Mann Bridge Tolling Operations) decal.

Actual vs. Budget

Compared to budget, toll revenue was unfavourable by \$0.7 million (1.7 per cent) driven by both number of crossings and the average rate.

Emissions Testing

Year-over-year revenues vary based on biennial test schedule of vehicles. Emissions testing revenue was 3.1 per cent below 2012 and 2.7 per cent below 2013 budget.

Government Transfers

Contributions from senior government continue to be a key source of income for TransLink to support and grow the transportation network and achieve long-term regional transportation goals. Total transfers from other governments in 2013 were \$84.6 million. \$19.7 million supported operating activities and the remainder was contributions to capital projects recognized in 2013. Timing of the projects and applicable revenue recognition period affects the variance year over year and to budget.

Interest Income

Year over Year

Interest income increased \$2.5 million from 2012 due to higher sinking fund contributions and higher cash balances.

Actual vs. Budget

Interest income was lower than budget by \$2.5 million due to lower than forecast interest rates.

Gain on Disposal

Disposal of assets generated a loss of \$0.2 million in 2013, compared to a gain of \$42 million in 2012, when surplus properties were sold.

Budgeted revenue from real estate did not occur which caused the unfavourable budget variance, primarily due to timing.

Miscellaneous Revenues

Miscellaneous revenues consist mainly of recoveries for warranty repairs and costs recovered from other parties. These revenues were \$4.1 million higher than budget largely due to real estate transactions with potential developers around SkyTrain stations and additional warranty recoveries in the bus division.

Funding Adjustments

Funding adjustments are the changes required to the income statement to calculate the cumulative funded surplus under the SCBCTA Act, which is defined as the amount of resources available to fund future operations.

Consolidated Expenses by Segment

Consolidated Expenses by Segment	Actual	Actual	Actual	Actual	Actual	Year over Year		Budget	Budget Variance		Compound Annual Growth Rate (CAGR)
(\$millions)	2009	2010	2011	2012	2013	Change	%	2013	Fav./ (Unfav.)	%	2009-2013
AirCare	17.8	18.5	18.7	17.4	16.2	(1.2)	(7.0%)	17.2	1.0	5.8%	(2.4%)
Bus Division	580.5	593.3	607.1	624.1	618.8	(5.3)	(0.9%)	640.6	21.8	3.4%	1.6%
Corporate *	54.9	68.3	55.7	61.2	67.4	6.2	10.1%	100.9	33.5	33.2%	5.3%
Rail Division	149.1	208.4	225.7	239.5	238.7	(0.7)	(0.3%)	251.1	12.3	4.9%	12.5%
Roads & Bridges	194.3	120.9	97.9	118.5	93.5	(25.1)	(21.2%)	126.5	33.0	26.1%	(16.7%)
Transit Police	26.8	28.3	27.4	28.4	30.6	2.2	7.6%	31.2	0.6	2.0%	3.3%
Amortization and Interest **	232.0	312.9	332.8	341.6	339.7	(2.0)	(0.6%)	357.0	17.3	4.9%	10.0%
Provision for Asset Valuation	4.1	11.3	3.2	-	1.9	1.9	-	-	(1.9)	-	-
PSAB/GAAP Total Expenses	1,259.7	1,361.9	1,368.5	1,430.8	1,406.8	(24.0)	(1.7%)	1,524.4	117.6	7.7%	2.8%
Funding Adjustments:											
AirCare	(17.8)	(18.5)	(18.7)	(17.4)	(16.2)	1.2	7.0%	(17.3)	(1.1)	(6.5%)	(2.4%)
Corporate	(0.3)	(0.1)	(0.0)	(0.0)	(0.3)	(0.3)	-	(0.1)	0.2	-	4.8%
Roads & Bridges	(148.6)	(74.6)	(48.8)	(66.3)	(52.4)	13.9	21.0%	(72.8)	(20.4)	(28.0%)	(22.9%)
Amortization and Interest	(145.4)	(220.7)	(218.5)	(221.0)	(226.8)	(5.8)	(2.6%)	(232.1)	(5.3)	(2.3%)	11.8%
Debt Repayment	79.4	82.6	95.3	96.9	92.1	(4.7)	(4.9%)	106.6	14.5	13.6%	3.8%
GEB Capital Payments	4.4	30.4	47.5	54.3	54.8	0.5	0.9%	55.2	0.4	0.6%	21.7%
In-house Insurance (TPCC)	(1.0)	3.0	0.6	1.0	1.1	0.1	-	-	(1.1)	-	-
Funded Total Expenses	1,030.4	1,164.3	1,225.8	1,278.3	1,259.2	(19.1)	(1.5%)	1,363.9	104.7	7.7%	5.1%

* The 2009 & 2010 amounts include adjustments resulting from the transition to PSAB standards.

** Shown as a separate line to help facilitate analysis of debt service costs as GAAP statements allocate these amounts to the various segments

Year over Year

Overview

Bus division operating expenditures were \$5.3 million (0.9 per cent) less than in 2012 due to cost-efficiency initiatives implemented in late 2012 and early 2013. These include scheduling efficiencies, cost-containment initiatives that reduced overall staffing levels and a WorkSafeBC Certificate of Recognition refund in 2013. These savings were partially offset by labour and other contractual and economic increases and higher fuel costs. Service levels in 2013 include the annual impact of service changes in April and December 2012, including the new route over the Port Mann Bridge, as well as the September 2013 introduction of the King George B-Line service in Surrey linking Guildford and Newton Exchanges.

Expenditures for 2013 were down \$24 million (1.7 per cent) from 2012 mainly due to Roads and Bridges as a result of the timing of infrastructure contributions to the Major Road Network. Roads and bridges were \$25 million (21.2 per cent) lower than last year, primarily due to work not completed by the municipalities.

AirCare contract costs decreased \$1.2 million (7.0 per cent) to \$16 million in 2013 to reflect a lower negotiated contract.

Rail division operating costs were down \$0.7 million (0.3 per cent) from 2012. Canada Line costs decreased due to the transition to HST on contractual payments, offset by contractual inflationary increases. Other operating costs for the rail division increased due to increased power rates, inflationary increases, and increased vehicle and facilities maintenance costs, offset by lower employee future benefit costs.

Corporate expenditures were \$4.7 million lower than 2012 after factoring out one-time costs for Gateway sublease provision, Compass Card start-up costs and onetime costs for the move to Sapperton.

Transit Police costs increased \$2.2 million (7.6 per cent) from 2012 due to length of service increases, benefit costs, mandatory training costs, and leasing costs.

Amortization and interest was \$2.0 million (0.6 per cent) lower than 2012. This is driven by lower interest rates and less debt offset by an increase in asset amortization.

Actual vs. Budget

Overview

Expenditures for 2013 were \$117.6 million (7.7 per cent) lower than budget. About \$70 million of this is due to the timing of roads and bridge work with municipalities, numerous feasibility studies and one-time projects, and the timing of the implementation of the Compass project. Cost-saving efficiencies included in the budget were exceeded as more savings were realized from operations.

Bus division expenditures in 2013 were \$22 million lower than budget. Favourable variance include lower wages and salaries due to bus scheduling efficiencies, higher operator productivity, management of overtime and staffing levels and temporary position vacancies. Benefits are lower due to favourable rates and the WorkSafeBC Certificate of Recognition refund. Other favourable variances included fuel and insurance costs due to lower than planned diesel prices and vehicle insurance rates, lower fare media costs related to the timing of Compass Card and lower property lease costs.

Rail division expenditures were \$12 million (4.9 per cent) lower than budget due to a lower inflationary increase in contracted Canada Line payments, lower fuel and power rates, hiring delays and the timing of the Compass project implementation.

Roads and bridges spending in 2013 was \$33 million (26 per cent) lower due to work not completed by the municipalities and lower spending on feasibility studies, and capitalizing Pattullo Bridge improvements.

Corporate expenditures were \$33.5 million lower than budget. Of this, \$20 million relates to the timing of the Compass project implementation that will now occur in 2014. The remainder of the variance is attributable to recruitment lags throughout all divisions, lower costs related to the move to the new Sapperton office, and less operating spending on feasibility studies and one time projects.

Amortization and interest expense was \$17.3 million lower than budget due to the timing of project completions, a number of cancelled projects and lower interest costs as the budget assumed earlier borrowing.

Consolidated Expenses by Category

Consolidated Expenses by Category	Actual	Actual	Actual	Actual	Actual	Year over Year		Budget	Budget Variance		Compound
(\$millions)	2009	2010	2011	2012	2013	Change	%	2013	Fav./ (Unfav.)	%	Annual Growth Rate (CAGR) 2009-2013
AirCare	17.8	18.5	18.7	17.4	16.2	(1.2)	(7.0%)	17.2	1.0	5.8%	(2.4%)
Administration	29.8	24.8	22.5	24.2	27.9	3.8	15.6%	30.5	2.6	8.4%	(1.6%)
Amortization of Capital Assets	120.3	157.7	161.2	163.8	166.8	3.0	1.8%	176.8	10.0	5.6%	8.5%
Capital Infrastructure Contributions	148.6	74.6	48.8	66.3	52.4	(13.9)	(21.0%)	72.8	20.4	28.0%	(22.9%)
Contracted Services	108.7	171.1	188.8	188.2	189.2	1.0	0.5%	214.1	24.9	11.6%	14.9%
Fuel and Power	48.2	55.3	60.5	66.9	68.8	2.0	2.9%	70.9	2.1	3.0%	9.3%
Insurance	18.0	15.7	17.1	17.9	17.5	(0.4)	(2.2%)	20.9	3.5	16.5%	(0.7%)
Interest	112.9	159.9	171.6	177.7	172.9	(4.8)	(2.7%)	180.2	7.3	4.1%	11.2%
Maintenance, Materials and Utilities	111.4	104.3	102.9	116.0	102.5	(13.6)	(11.7%)	112.6	10.1	8.9%	(2.1%)
Professional and Legal	15.7	13.9	19.3	18.7	15.1	(3.6)	(19.4%)	26.4	11.3	42.9%	(1.0%)
Rentals, Leases and Property Tax	31.4	38.5	34.6	38.3	45.7	7.4	19.3%	44.3	(1.4)	(3.1%)	9.8%
Salaries, Wages and Benefits *	492.8	516.1	519.3	535.5	530.0	(5.6)	(1.0%)	557.8	27.8	5.0%	1.8%
Provision for Asset Valuation	4.1	11.3	3.2	-	1.9	1.9	-	-	(1.9)	-	-
PSAB/GAAP Total Expenses	1,259.7	1,361.9	1,368.5	1,438.8	1,406.8	(24.0)	(1.7%)	1,524.4	117.6	7.7%	2.8%
Funding Adjustments:											
AirCare	(17.8)	(18.5)	(18.7)	(17.4)	(16.2)	1.2	7.0%	(17.3)	(1.1)	(6.5%)	(2.4%)
Amortization of Capital Assets	(110.6)	(154.1)	(152.5)	(155.0)	(159.7)	(4.7)	(3.0%)	(164.6)	(4.9)	(3.0%)	9.6%
Govt Funding Admin/Non-capitalizable Projects	(0.3)	(0.1)	(0.0)	(0.0)	(0.3)	(0.3)	(2048.5%)	(0.1)	0.2	-	4.8%
Interest	(34.8)	(66.6)	(66.1)	(66.0)	(67.1)	(1.1)	(1.6%)	(67.6)	(0.5)	(0.7%)	0.2%
GEB Capital Payments	4.4	30.4	47.5	54.3	54.8	0.5	(0.9%)	55.2	0.4	(0.6%)	21.7%
MRN Capital Funding	(148.6)	(74.6)	(48.8)	(66.3)	(52.4)	13.9	21.0%	(72.8)	(20.4)	(28.0%)	(22.9%)
Principle Repayments	79.4	80.5	80.5	78.6	72.8	(5.8)	7.4%	72.8	0.0	(0.0%)	(2.2%)
Debt Repayment Reserves	-	2.2	14.8	18.2	19.4	1.1	(6.3%)	33.8	14.5	-	14.4%
In-house Insurance (TPCC)	(1.0)	3.0	0.6	1.0	1.1	0.1	(9.8%)	-	(1.1)	-	-
Funded Total Expenses	1,030.4	1,164.1	1,225.8	1,278.3	1,259.2	(19.1)	(1.5%)	1,363.9	104.7	7.7%	5.1%

* The 2009 & 2010 amounts include adjustments resulting from the transition to PSAB standards.

Year over Year

Administration costs increased \$3.8 million (15.6 per cent) over the previous year due to increase in technology costs and marketing and communication costs for the Compass project. However, when compared to the five-year trend, administration costs are lower today than it was five years ago.

Capital infrastructure contributions fluctuate each year because municipalities have a four-year period in which to complete the work depending on the nature and timing of the projects.

Fuel and power costs increased \$2 million (2.9 per cent) due to increases in price combined with the impact of the switch from HST to GST/PST, offset by a reduction in service kilometres in the rail division. Fuel and power costs have increased by an average of over nine per cent a year over the five years. This is driven by higher energy costs and increased volumes due to additional service. For example the diesel cost per litre in 2009 was \$0.835, which has increased to \$1.246 in 2013.

Maintenance, materials and utilities decreased \$13.6 million from 2012 due to the timing of work performed on Major Road Network within the municipalities and cost-containment initiatives in the bus division.

Professional and legal expenses were \$4 million (19 per cent) less than 2012 due to lower spending on feasibility studies and one-time projects.

Rentals, leases and property taxes were \$7.4 million (19 per cent) higher than in 2012 due to a provision for the delay in subleasing the Gateway offices as well as an overlap of monthly rentals between Metrotown, Gateway and Sapperton.

Salaries, wages and benefits were \$5.6 million (1.0 per cent) lower than 2012 due to scheduling efficiencies, reduced staffing levels and a WorkSafeBC Certificate of Recognition refund in the bus division.

Actual vs. Budget

Capital infrastructure contributions were \$20 million (28 per cent) favourable to budget due to the timing of the work completed by the municipalities and agencies. Contracted services were \$25 million (12 per cent) favourable to budget mainly due to the timing of implementing Compass Card. Canada Line payments were also favourable due to lower than expected contractual inflationary increases.

Maintenance, materials and utilities expenditures were \$10.1 million (8.9 per cent) favourable to budget due to lower material costs in the bus and rail divisions, lower costs from bridge operations and lower road maintenance. Also contributing to the variance is the Pattullo Bridge improvements which were capitalized as they added to the expected life of the asset.

Professional and legal fees were \$11 million (43 per cent) below the budget. There was lower spending than expected on the Pattullo Bridge feasibility study and other one-time project costs. Compass Card spending has been moved to 2014 and there were some minor project savings at the Rail division.

Salaries, wages and benefits were \$28 million (5.0 per cent) favourable to budget due to vacancy management throughout 2013 at all divisions. Lower costs in the bus division reflect lower wages due to reduced service hours and a WorkSafeBC rebate.

3. INVESTMENT IN CAPITAL ASSETS

Capital Program Summary – December 31, 2013

(\$ amounts in thousands)

Description	Number of Projects	Budget	Forecast/Variance			Government Funding
		A	B		A-B	
		Current	2013 Actual	Final Forecast	Variance to Current Budget	
Total of all Active Projects (Including Substantially Complete) and Approved in Principle (AIP) Projects as at Jan 01 2013	199	2,140,127	456,250	2,099,691	40,436	670,818
Add: Adhoc Projects	10	7,116	576	6,622	494	-
Less: Projects Closed during 2013	(35)	(79,045)	(2,629)	(68,815)	(10,230)	(4,100)
Budget Changes		(25,893)	(40,619)	(27,927)	2,034	32,384
AIP Projects Cancelled in 2013	(23)	(7,581)	(7,227)	(7,581)	-	-
Substantially Complete	(46)	(818,902)	(80,617)	(800,763)	(18,139)	(310,361)
Actual Costs and Forecast Changes			(136,543)	10,056	(10,056)	
Total Capital Program (excl Substantially Complete)	105	1,215,822	189,191	1,211,283	4,539	388,741
Active Projects (excl Substantially Complete)	77	1,114,427	189,191	1,109,888	4,539	388,741
AIP Projects as on December 31 2013	28	101,395	-	101,395	-	-
Total Capital Program (excl Substantially Complete)	105	1,215,822	189,191	1,211,283	4,539	388,741

Closed Projects

A total of 35 projects with an aggregate forecast cost of \$68.8 million and an aggregate current budget of \$79.0 million were completed and closed up to December 31, 2013. These projects had a total favourable variance of \$10.2 million. TransLink regularly monitors the budgeted contingencies to ensure levels are appropriate. Of the projects closed in 2013, contingency made up 8.4 per cent of the total budget and 5.7 per cent was utilized.

Cancelled Projects

A total of 23 Approval in Principle (AIP) projects with a current budget of \$7.6 million have been cancelled from the 2013 program. A majority of these projects were reviewed, prioritized, and cancelled to proactively manage costs.

Substantially Complete Projects

A total of 46 projects with a total forecast cost of \$800.8 million and a related current budget of \$818.9 million were deemed substantially complete and in the final stages of project activity, with approximately \$10.6 million currently remaining. The total expected favourable variance for these projects is \$18.1 million or 2.2 per cent.

Active Projects

Active Projects (excluding substantially complete)						
(\$ amounts in thousands)						
Description	Number of Projects	Budget	Forecast/Variance			Government Funding
		A	B		A-B	
		Current	2013 Actual	Final Forecast	Variance to Current Budget	
Equipment	15	15,458	2,728	14,624	834	-
Facilities	16	194,586	12,914	193,162	1,424	99,609
Infrastructure	21	333,227	88,522	331,710	1,517	161,261
Major Construction	1	402,841	64,314	402,841	-	-
Technology Applications	13	24,090	7,308	23,848	242	-
Vehicle - Non-Revenue	3	679	66	678	1	-
Vehicle - Other	1	4,460	2,872	4,321	139	4,000
Vehicle - Convention Revenue	7	139,086	10,467	138,704	382	123,871
Grand Total	77	1,114,427	189,191	1,109,888	4,539	388,741

As at December 31, 2013, there were 77 active projects with a current budget of \$1.1 billion. The forecasted active project variance of \$4.5 million or 0.4 per cent was comprised of multiple projects each with a variance of \$0.5 million or less.

Approval in Principle Projects

At the period ending December 31, 2013, there were 28 projects that had not yet started with a total Approval in Principle (Approval in Principle (AiP)) Budget of \$101.4 million. The largest projects are the Metrotown Station and Exchange Upgrade with a budget of \$35.0 million and Commercial-Broadway SkyTrain Station Phase 2 Upgrade with a budget of \$32.2 million. Both of these projects are scheduled to commence in 2014. New Westminster SkyTrain Station is also scheduled to be upgraded, starting in May 2014, with a budget of \$9.0 million. The remaining projects include TransLink projects such as various SkyTrain station upgrade designs, bike infrastructure and Information Technology replacement/enhancement projects totalling \$10.5 million; rail projects such as linear induction motor rail replacement, elevator/escalator replacement, SkyBridge improvements and infrastructure state of good repair replacements totalling \$7.9 million; and new projects such as facilities and infrastructure improvements, and technology upgrades totalling \$6.8 million.

4. CHANGES IN FINANCIAL POSITION

Changes in Financial Position as at December 31, 2013
(\$000s)

	December 31 2013	December 31 2012 (restated)	Change from 2012	% Change
FINANCIAL ASSETS				
Cash	\$ 247,758	\$ 187,093	\$ 60,665	32.4%
Accounts receivable	97,103	107,037	(9,934)	-9.3%
Restricted cash and investments	420,681	359,896	60,785	16.9%
Investments	83,787	114,271	(30,484)	-26.7%
Assets held for sale	14,164	-	14,164	-
Debt reserve deposits	39,677	41,263	(1,586)	-3.8%
LIABILITIES				
Accounts payable and accrued liabilities	235,987	222,694	13,293	6.0%
Debt	2,043,949	2,042,039	1,910	0.1%
Deferred government transfer	1,238,101	1,137,878	100,223	8.8%
Golden Ears Bridge contractor liability	1,045,059	1,032,744	12,315	1.2%
Deferred concessionaire credits	618,942	642,215	(23,273)	-3.6%
Employee future benefits	89,082	78,251	10,831	13.8%
Deferred lease inducements	12,984	1,650	11,334	686.9%
NON-FINANCIAL ASSETS				
Tangible capital assets	\$ 4,451,189	\$ 4,385,782	65,407	1.5%
Supplies inventory	46,869	43,372	3,497	8.1%
Prepaid expenses	9,315	8,431	884	10.5%

The cash, investments and debt are discussed under the liquidity and capital resources section.

Financial Assets

Restricted cash and investments is \$60.8 million higher primarily due to an increase of \$56.4 million in unspent government transfers received for capital projects. There was an increase of \$25.6 million related to the self-administered sinking funds to repay the Authority's self-administered bonds in accordance with the debt management policy which was offset by funds used to pay off MFA debt in the amount of a \$21.2 million.

Assets held for sale include real estate properties which are ready and available to be sold and for which there is a market.

Liabilities

Deferred government transfer has increased by \$100.2 million primarily because of \$160.4 million of contributions received during the year and \$4.7 million of interest earned, offset by \$64.9 million of revenue recognized in 2013. The Golden Ears Bridge contractor liability has increased as interest expense exceeds the payments in the early years due to the sculpted payment schedule. The liability is set up so that principal payments commence during 2015.

Deferred concessionaire credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight line basis over the operating term of the concessionaire agreement which will expire in July 2040.

Employee future benefits, which represent post-retirement and post-employment benefits, has increased by \$10.8 million primarily due to the latest actuarial valuations. The post-retirement portion of this liability will draw down upon retirement of the employees.

The increase in deferred lease inducements of \$11.3 million primarily represent tenant inducements related to the Sapperton office building. This balance is amortized as a reduction of rental expense over the lease term to February 2033.

Non-Financial Assets

Tangible capital assets have increased primarily as a net result of the \$248.3 million in additions, less amortization of \$166.8 million and the transfer to assets held for sale of \$14.2 million.

5. LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

At year end, there remained multiple sources of liquidity. Unrestricted cash and near cash equivalents, i.e. money market funds which can be redeemed on short notice, were as follows:

(\$000s)	December 31, 2013	December 31, 2012	Change
Cash	\$247,758	\$187,093	\$60,665
Near Cash	61,539	84,851	(23,312)
Total	\$309,297	\$271,944	\$37,353

TransLink's strong liquidity position is further supported by a \$500 million commercial paper program of which only \$90 million has been issued.

FINANCING

TransLink currently has three main sources of financing for its assets: net direct debt, indirect Public Private Partnership (P3) debt and senior government contributions. The latter is represented on the balance sheet as deferred government transfers.

(\$000s)	December 31, 2013		December 31, 2012		Change
Direct Debt	\$2,043,949		\$2,042,039		\$1,910
Less: Restricted Investments:					
- Self-administered sinking funds	(56,847)		(31,274)		(25,573)
- Funds set aside to repay MFA Debt	(34,193)		(55,436)		21,243
Less: MFA DRF	(39,677)		(41,263)		1,586
Net Direct Debt	\$1,913,232	39.7%	\$1,914,066	40.5%	(\$834)
GEB	\$1,045,059		\$1,032,744		\$12,315
DCC - Canada Line	618,942		642,215		(23,273)
Indirect P3 Debt	\$1,664,001	34.6%	\$1,674,959	35.4%	(\$10,958)
Subtotal Net Direct Debt and Indirect P3 Debt	\$3,577,233	74.3%	\$3,589,025	75.9%	(\$11,792)
Deferred government transfers	\$1,238,101	25.7%	\$1,137,878	24.1%	\$100,223
Total	\$4,815,334	100%	\$4,726,903	100%	\$88,431

During 2013 TransLink continued to take advantage of the historically low long-term interest rates with a \$150 million bond issue in December 2013 with a 30.5 maturity term. The coupon on this issue is 4.45 per cent. As shown in the above table, net direct debt was relatively unchanged and constitutes approximately 40 per cent of TransLink's debt capital.

Total net direct¹ and indirect Public Private Partnership (P3) debt totalled \$3,577 million (2012 - \$3,589 million). This is 280.3 per cent (2012 - 295.7 per cent) of operating revenues. Gross interest cost as a percentage of operating revenue was 13.5 per cent (2012 - 14.6 per cent). Both these ratios are within the self-imposed limits per TransLink's debt management policy of 350 per cent and 20 per cent respectively.

Maintaining high-quality credit ratings is essential to ensure that TransLink continues to be able to access capital markets in a cost-effective manner, when it needs to borrow to fund its capital programs. The following table summarizes TransLink's current credit ratings and outlooks:

Agency	Commercial Paper	Senior Debt	Issuer Rating	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable
Moody's Investors Service	Not rated	Aa2	Aa2	Stable

¹ Total net debt includes deferred concessionaire credit for Canada Line, Golden Ears Bridge contractor liability, debt reserve deposit and sinking funds.

6. CONSOLIDATED FINANCIAL STATEMENTS

Schedule 1 Consolidated Financial Statements

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position
(in thousands of dollars)

December 31, 2013, with comparative information for December 31, 2012

	December 31 2013	December 31 2012
FINANCIAL ASSETS		
Cash	\$ 247,758	\$ 187,093
Accounts receivable	97,103	107,037
Restricted cash and investments	420,681	359,896
Investments	83,787	114,271
Assets held for sale	14,164	-
Debt reserve deposits	39,677	41,263
	903,170	809,560
LIABILITIES		
Accounts payable and accrued liabilities	235,987	222,694
Debt	2,043,949	2,042,039
Deferred government transfer	1,238,101	1,137,878
Golden Ears Bridge contractor liability	1,045,059	1,032,744
Deferred concessionaire credits	618,942	642,215
Employee future benefits	89,082	78,251
Deferred lease inducements	12,984	1,650
	5,284,104	5,157,471
NET DEBT	(4,380,934)	(4,347,911)
NON-FINANCIAL ASSETS		
Tangible capital assets	\$ 4,451,189	\$ 4,385,782
Supplies inventory	46,869	43,372
Prepaid expenses	9,315	8,431
	4,507,373	4,437,585
Accumulated Surplus	\$ 126,439	\$ 89,674

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(in thousands of dollars)

Twelve months ended December 31, 2013, with comparative information for December 31, 2012

	2013 Budget	2013 Actual	2012 Actual
Revenue:			
Taxation	\$ 721,627	\$ 741,307	\$ 714,414
Transit	500,616	495,575	460,600
Golden Ears Bridge tollings	40,111	39,421	38,859
Emissions testing	20,158	19,619	20,253
Government transfers	85,905	84,558	85,164
Amortization of deferred concessionaire credit	23,078	23,273	23,337
Interest income	36,728	34,208	31,662
Miscellaneous revenue	1,713	5,771	5,581
Gain (loss) on disposal of tangible capital assets	13,000	(167)	41,600
	1,442,936	1,443,565	1,421,470
Expenses:			
Aircare	17,293	16,163	17,380
Bus division	781,323	751,931	765,892
Corporate	114,705	80,445	73,657
Rail division	353,344	336,368	329,070
Roads & Bridges	226,482	191,269	216,363
Transit Police	31,253	30,624	28,463
	1,524,400	1,406,800	1,430,825
Surplus (deficit) for the year	(81,464)	36,765	(9,355)
Accumulated surplus, beginning of year	82,817	89,674	99,029
Accumulated surplus, end of year	\$ 1,353	\$ 126,439	\$ 89,674

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt
(in thousands of dollars)

Twelve months ended December 31, 2013, with comparative information for December 31, 2012

	2013 Budget	2013 Actual	2012 Actual
Surplus for the year	\$ (81,464)	\$ 36,765	\$ (9,355)
Acquisition of tangible capital assets	(352,370)	(248,296)	(177,391)
Amortization of tangible capital assets	176,639	166,783	163,782
(Gain) loss on disposal of tangible capital assets	(13,000)	167	(41,600)
Net proceeds (costs) from disposal of capital assets	12,232	(167)	91,501
Write down of tangible capital assets	-	1,942	-
	(176,499)	(79,571)	36,292
Change in supplies inventory	(1,219)	(3,497)	392
Change in prepaid expenses	(230)	(884)	(979)
Transfer to assets held for sales	-	14,164	-
	(1,449)	9,783	(587)
Decrease (increase) in net debt	(259,412)	(33,023)	26,350
Net debt, beginning of year	(4,607,334)	(4,347,911)	(4,374,261)
Net debt, end of year	\$ (4,866,746)	\$ (4,380,934)	\$ (4,347,911)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows
(in thousands of dollars)

Twelve months ended December 31, 2013, with comparative information for December 31, 2012

	2013	2012
Cash provided by (used for):		
Operating Transactions:		
Surplus (deficit) for the year	\$ 36,765	\$ (9,355)
Non-cash charges to operations	94,324	48,993
Changes in non-cash operating working capital	29,677	24,849
Net change in cash from operating transactions	160,766	64,487
Capital Transactions:		
Purchase of capital assets	(139,633)	(131,422)
Purchase of capital assets funded by government transfers	(108,663)	(45,969)
Net proceeds (costs) from disposal of capital assets	(167)	91,501
Net change in cash from capital transactions	(248,463)	(85,890)
Investing Transactions:		
Increase in restricted cash and investments	(60,785)	(50,963)
Decrease in investments	30,484	14,040
Decrease in debt reserve deposits	1,586	987
Net change in cash from investing transactions	(28,715)	(35,936)
Financing Transactions:		
Debt proceeds	152,375	255,246
Premiums (issue costs) on financing	(1,287)	1,119
Repayments of debt	(151,034)	(131,116)
Government transfers received for capital additions	165,118	23,594
Lease inducements received	11,905	1,299
Net change in cash from financing transactions	177,077	150,142
Increase in cash	60,665	92,803
Cash, beginning of year	187,093	94,290
Cash, end of year	\$ 247,758	\$ 187,093

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Segment Report
Year ended December 31, 2013, with comparative figures for 2012
(in thousands of dollars)

	Airfare	Bus division	Corporate	Rail division	Road & Bridge	Transit Police	2013	2012
Revenues:								
Taxation	\$ -	\$ -	\$ 741,307	\$ -	\$ -	\$ -	\$ 741,307	\$ 714,414
Transit	-	-	495,575	-	-	-	495,575	460,600
Golden Ears Bridge tollings	-	-	-	-	39,421	-	39,421	38,859
Emissions testing	19,619	-	-	-	-	-	19,619	20,253
Government transfers	-	-	84,421	-	137	-	84,558	85,164
Amortization of deferred concessionaire credit	-	-	-	23,273	-	-	23,273	23,337
Interest income	-	-	34,208	-	-	-	34,208	31,662
Miscellaneous revenue	-	2,415	2,853	376	2	125	5,771	5,581
Gain (loss) on disposal of tangible capital assets	-	(90)	(77)	-	-	-	(167)	41,600
	19,619	2,325	1,358,287	23,649	39,560	125	1,443,565	1,421,470
Expenses								
Administration	284	11,579	10,963	2,951	317	2,139	28,233	24,438
Amortization of capital assets	-	81,657	7,994	58,285	18,833	14	166,783	163,782
Capital infrastructure contributions	-	-	-	-	52,432	-	52,432	66,338
Contracted services	14,388	65,168	418	112,422	11,161	-	203,557	203,087
Fuel and power	-	56,474	-	12,341	-	-	68,815	66,856
Insurance	2	12,011	163	4,132	1,119	34	17,461	17,856
Interest	-	51,472	5,035	37,393	78,971	11	172,882	177,671
Maintenance, materials and utilities	8	48,326	1,260	27,826	23,771	1,307	102,498	116,048
Professional & legal	37	2,276	7,981	1,587	2,678	564	15,103	18,766
Rentals, leases and property tax	129	14,040	17,060	12,796	50	1,755	45,830	38,440
Salaries, wages and benefits	1,315	408,928	29,591	64,693	1,937	24,800	531,264	537,543
Write-down of tangible capital assets	-	-	-	1,942	-	-	1,942	-
	16,163	751,931	80,445	336,368	191,269	30,624	1,406,800	1,430,825
Surplus (deficit) for the year	\$ 3,456	\$ (749,606)	\$ 1,277,842	\$ (312,719)	\$ (151,709)	\$ (30,499)	\$ 36,765	\$ (9,355)

Schedule 2 Funded Statement of Operations

TransitLink (Excluding AirCare)
2009 - 2013 Revenues and Expenditures
On a Funded Basis
\$millions

	2009	2010	2011	2012	2013	2013 Year-to-Date		2013	Budget Variance	
	Actual	Actual	Actual	Actual	Actual	Change	%	Budget	Fav./Unfav.	%
A. Revenues and Expenditures										
Revenues										
Transit Revenues	366.8	437.9	444.7	460.6	495.6	35.0	7.6%	500.6	(5.0)	(1.0%)
Real Estate	-	-	-	1.6	-	(1.6)	-	-	-	-
Golden Ears Bridge Toll Revenues	11.5	29.6	33.7	38.9	39.8	0.6	1.6%	40.1	(0.7)	(1.7%)
Taxation										
Tax	259.8	253.2	511.9	335.5	349.1	13.6	4.1%	335.1	13.9	4.2%
Property and Replacement	282.1	299.6	295.1	306.7	316.5	9.8	3.1%	314.1	2.3	0.7%
Hydro Levy	18.2	18.6	18.8	19.2	19.8	0.1	0.3%	19.5	(0.2)	(1.1%)
Parking Sales	15.6	58.4	58.7	55.2	56.6	5.4	9.5%	52.9	3.7	7.1%
Total Taxation Revenues	575.8	609.8	682.4	714.4	741.3	26.9	3.6%	721.6	19.7	2.7%
Operating/Contributions	7.5	19.3	21.7	20.1	19.7	(0.4)	(2.1%)	19.5	0.2	0.8%
Interest Income	1.7	2.1	3.9	4.5	5.6	1.5	30.8%	7.3	(1.8)	(24.2%)
Miscellaneous Revenues	-	-	5.0	4.0	5.8	1.8	45.3%	5.7	4.1	247.0%
Gains on disposal	-	-	0.2	47.6	(0.2)	(47.8)	-	15.0	(13.2)	(101.3%)
Total Revenues	963.0	1,127.7	1,191.6	1,265.4	1,307.1	21.7	1.7%	1,303.9	3.2	0.2%
Expenditures										
Roads & Bridges										
Major Road Network Operation	37.4	33.0	34.1	34.6	23.8	(10.8)	(31.3%)	30.0	6.2	20.8%
Golden Ears Bridge Operations	6.1	11.2	12.6	12.0	12.5	0.5	4.8%	13.5	1.0	7.1%
Adren	2.3	2.1	2.3	2.8	4.7	1.9	69.9%	10.1	5.4	53.4%
Total Roads & Bridges	45.8	46.3	49.0	49.4	41.0	(8.4)	(17.0%)	53.6	12.6	23.5%
Transit										
Bus Divisions										
Coast Mountain Bus Co.	522.6	555.4	541.2	556.9	550.8	(6.1)	(1.1%)	570.6	19.8	3.5%
Access Transit	40.4	45.4	47.9	49.2	50.0	0.8	1.6%	50.4	0.3	0.7%
Other Contractors	16.5	17.6	18.6	19.0	19.1	0.1	0.3%	19.6	0.5	2.4%
Total Bus Divisions	579.5	598.3	607.7	625.1	619.9	(5.2)	(0.8%)	640.6	20.6	3.2%
Rail Divisions										
Inpo & Millennium Lines	90.0	91.9	98.1	102.3	102.0	(0.3)	(0.3%)	109.2	7.2	6.6%
West Coast Express	26.5	27.7	28.9	30.0	32.1	2.1	7.0%	32.0	(0.1)	(0.3%)
Canada Line	52.7	88.8	98.7	107.2	104.7	(2.5)	(2.3%)	110.0	5.2	4.8%
Total Rail Divisions	169.1	208.4	225.7	239.5	238.7	(0.7)	(0.3%)	251.1	12.3	4.9%
Total Transit	748.6	806.7	833.4	864.6	858.7	(5.9)	(0.7%)	891.6	32.9	3.7%
TransitLink										
Board, Mayor/Council, Commissioner	1.6	1.4	1.3	1.2	1.2	0.0	2.7%	1.7	0.5	29.0%
Divisions	42.9	54.6	44.1	55.3	56.6	3.3	6.1%	54.6	(2.0)	(3.7%)
Studies and Other One-time Projects	8.9	7.4	10.4	9.5	9.2	(0.2)	(2.5%)	34.7	25.5	73.4%
Total TransitLink	53.4	63.5	55.7	66.0	67.0	3.1	4.8%	91.0	23.9	26.3%
Transit Police	26.8	28.3	27.4	28.4	30.6	2.2	7.6%	31.2	0.6	2.0%
Provision for Contingencies and Reinvestments	-	-	-	-	-	-	-	9.9	9.9	100.0%
Interest Expense	78.1	93.3	105.6	111.7	105.8	(5.9)	(5.3%)	112.6	6.9	6.3%
Amortization of Capital Assets	13.8	14.9	11.9	9.0	9.0	0.1	0.7%	12.0	3.0	24.6%
Debt Repayment	79.4	82.6	95.3	96.9	92.1	(4.7)	(4.9%)	106.6	14.5	13.6%
GR Capital Payments	4.8	30.4	47.5	54.3	54.8	0.5	0.9%	55.2	0.6	0.6%
Total Expenditures	1,030.6	1,164.1	1,225.8	1,278.3	1,259.2	(19.1)	(1.5%)	1,363.9	104.7	7.7%
Annual Surplus/(Deficit) before AirCare	(67.3)	14.6	(34.3)	7.1	47.9	40.8	(577.2%)	(60.0)	107.9	179.9%
B. Consolidated Financial Summary										
Opening Balance	379.6	307.3	322.0	287.7	294.8			275.0		
Prior Year Adjustments ¹	(4.9)									
Surplus/(Deficit) for the year	(67.3)	14.6	(34.3)	7.1	47.9			(60.0)		
Closing Balance	307.3	322.0	287.7	294.8	342.7			215.0		

¹ The funded statement of operations does not include AirCare as it is a self-funded program.

² Prior year adjustments are for employee future benefits. The 2009 adjustment was the result of reporting based on the Public Service Accounting Board (PSAB) guidelines.

Schedule 3 Reconciliation of Cumulative Funded Surplus – between GAAP and SCBCTA Act

RECONCILIATION OF ANNUAL SURPLUS (\$000s)		2013	2012	Notes
Surplus (Deficit) for the year (GAAP)		36,765	(9,355)	A
Adjustment:				B
Debt services costs		(108,539)	(111,715)	
Amortization of capital assets which are funded by long term debt (> 5 years useful life) or government contributions		160,013	154,124	
Government funded capital contributions		(64,895)	(65,069)	
Capital infrastructure contributions		52,432	66,338	
Amortization of deferred concessionaire credit		(23,273)	(23,337)	
Remove effect of Aircare		(3,456)	(2,873)	C
Remove effect of TPCC		(1,140)	(1,039)	C
Surplus (Deficit) for the year (SCBCTA Act)		<u>47,907</u>	<u>7,074</u>	
Notes:				
A. As per the audited financial statements				
B. These adjustments are necessary to arrive at the surplus in accordance with the SCBCTA Act.				
C. Aircare and TPCC net income / loss are not determinants of accumulated surplus.				
RECONCILIATION OF CUMULATIVE FUNDED SURPLUS (\$000s)		2013	2012	
Opening Cumulative Funded Surplus		294,794	287,720	
Surplus for the Year (FUNDED)		47,907	7,074	
Closing Cumulative Funded Surplus, as at December 31		<u>342,701</u>	<u>294,794</u>	

Schedule 4 Golden Ears Bridge Funding Net Impact

(\$000's)	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	Year over Year		2013 Budget	Budget Variance		Compound Annual (CAGR) 2009-2013
							Change	%		Fav./ (Unfav.)	%	
Revenues												
Toll Revenue	\$	\$ 11,293	\$ 29,580	\$ 33,748	\$ 38,859	\$ 39,421	\$ 562	1.4%	\$ 40,111	\$ (690)	(1.7%)	36.7%
Interest		58	69	75	81	115	\$ 34	42.6%	83	\$ 32	38.6%	18.7%
Total Revenues		0	11,351	29,649	33,823	38,940	\$ 597	1.5%	40,194	\$ (658)	(1.6%)	36.6%
Expenditures												
Tolling Concessionaire		2,466	5,843	6,012	6,105	6,605	\$ 500	8.2%	6,395	\$ 210	3.3%	27.9%
O&M payments to DBFO contractor		2,446	3,747	4,229	4,489	4,556	\$ 67	1.5%	4,565	\$ (9)	(0.2%)	16.8%
O&M Insurance		1,133	1,423	1,155	1,142	1,119	\$ (23)	(2.0%)	1,188	\$ (69)	(5.8%)	(0.3%)
Safety Payments to DBFO contractor		0	0	162	(3)	0	\$ 3	(100.0%)	180	\$ (180)	(100.0%)	
Others		101	190	446	278	261	\$ (16)	(5.8%)	1,177	\$ (916)	(77.8%)	27.0%
	\$	\$ 6,145	\$ 11,203	\$ 12,002	\$ 12,011	\$ 12,541	\$ 530	4.4%	\$ 13,506	\$ (964)	(7.1%)	19.5%
Interest on borrowings		0	2,873	6,127	7,152	7,485	\$ 6	0.1%	7,489	\$ 2	0.0%	27.1%
Sinking fund payment		3,445	3,897	4,276	4,992	5,103	\$ 0	0.0%	5,103	\$ 0	0.0%	7.0%
Sub-total Debt Service Costs		3,445	6,770	10,403	12,144	12,588	\$ 6	0.1%	12,592	\$ 2	0.0%	16.8%
Capital payments to DBFO contractor		0	4,392	30,439	47,543	54,342	\$ 505	0.9%	55,204	\$ (357)	-0.006463	88.0%
Total Expenditures	\$	3,445	\$ 17,308	\$ 52,045	\$ 71,689	\$ 78,941	\$ 1,042	1.3%	\$ 81,302	\$ (1,319)	(1.6%)	46.6%
Funded (Deficit)/Surplus	\$	(3,445)	\$ (5,957)	\$ (22,395)	\$ (37,866)	\$ (40,001)	\$ (445)	1.1%	\$ (41,108)	\$ 661	(1.6%)	61.4%
Cummulative (Deficit)/Surplus	\$	(6,451)	\$ (12,408)	\$ (34,803)	\$ (72,669)	\$ (112,671)	\$ (40,447)	35.9%	\$ (194,225)	\$ 41,108	(21.2%)	87.4%
Notional Albion Ferry Savings			\$ 6,100	\$ 6,200	\$ 6,400	\$ 6,500						
Actual Albion Ferry	\$	6,318	\$ 6,152	\$ 385	\$ 888	\$ 898						

* Golden Ears Bridge commenced operations in 2009.

7. APPENDICES

Appendix 1 Bus Operations

BUS DIVISION	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Fav./Unfav. Year over Year	Budget 2013	Fav./Unfav. Actual vs. Target
CONVENTIONAL TRANSIT (BUS)								
Customer								
Overall performance rating out of 10	7.6	7.6	7.7	7.7	7.7	-	7.6	0.1
Complaints per 1 m boarded passengers	104.6	117.1	118.4	94.9	125.5	(30.6)	103.2	(22.3)
Preventable collisions per million kms.	10.0	9.2	8.3	8.3	8.2	0.1	9.0	0.8
Passenger injuries per 1 million boarded passengers	3.47	3.62	3.47	3.37	3.40	(0.03)	3.3	(0.1)
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.2	8.3	8.4	8.4	8.5	0.1	8.5	-
Delivered service hours/scheduled	99.85%	99.80%	99.71%	99.39%	99.41%	(0.18%)	99.50%	(0.09%)
Internal Effectiveness								
Operating cost per passenger km.	\$0.437	\$0.432	\$0.384	\$0.393	\$0.398	\$(0.005)	\$0.418	\$0.020
Operating cost (excluding energy) per passenger km.	\$0.404	\$0.396	\$0.347	\$0.354	\$0.356	\$(0.002)	\$0.375	\$0.019
Operating Cost per capacity kilometre	\$ -	\$0.117	\$0.113	\$0.119	\$0.117	\$0.002	\$0.121	\$0.004
Boardings per service hour	45.80	45.60	47.20	50.08	48.00	(2.08)	48.60	(0.60)
Utilization (Passenger Kms./Capacity Kms.)	-	27.2%	29.4%	30.3%	29.4%	(0.9%)	29.1%	0.3%
Mean distance between vehicle failures	19,223	30,177	27,313	27,497	25,924	(1,573)	31,646	(5,722)
People								
Lost time frequency (per 200,000 hours worked)	6.73	7.26	6.58	6.14	7.74	(1.60)	5.51	(2.23)
Service Statistics								
Service Hours (thousands)	4,936	4,977	4,920	4,950	4,870	(80)	4,933	(63)
Service Kilometres (thousands) *	95,039	95,964	95,796	96,498	96,636	138	97,125	(489)
Boarded Passengers (thousands)	226,208	226,742	232,303	238,340	233,733	(4,606)	239,748	(6,014)
CMBC								
Customer								
Overall performance rating out of 10	7.5	7.6	7.6	7.7	7.7	-	7.6	0.1
Complaints per 1 m boarded passengers	107.6	120.6	120.3	93.4	126.3	(30.9)	107.3	(19.0)
Preventable collisions per million kms.	10.1	9.3	8.5	8.5	8.0	0.5	4.2	(4.8)
Passenger injuries per 1 million boarded passengers	3.62	3.09	3.51	3.43	3.41	0.02	3.37	(0.04)
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.2	8.3	8.3	8.4	8.5	0.1	8.5	-
Delivered service hours/scheduled	99.85%	99.80%	99.70%	99.57%	99.99%	(0.18%)	99.50%	(0.11%)
Internal Effectiveness								
Operating cost per passenger km.	\$0.442	\$0.438	\$0.388	\$0.396	\$0.401	\$(0.005)	\$0.424	\$0.021
Operating cost (excluding energy) per passenger km.	\$0.408	\$0.402	\$0.351	\$0.357	\$0.360	\$(0.003)	\$0.381	\$0.021
Operating Cost per capacity kilometre	\$ -	\$0.119	\$0.114	\$0.120	\$0.118	\$0.002	\$0.135	\$0.017
Boardings per service hour	45.90	45.40	47.50	50.66	48.50	(2.16)	48.90	(0.40)
Utilization (Passenger Kms./Capacity Kms.)	-	27.0%	29.3%	30.2%	29.4%	(0.8%)	28.8%	0.6%
Mean distance between vehicle failures	21,422	28,935	30,625	29,743	27,818	(1,927)	31,646	(3,828)
People								
Lost time frequency (per 200,000 hours worked)	6.73	7.26	6.58	6.14	7.74	(1.60)	5.51	(2.23)
Service Statistics								
Service Hours (thousands)	4,719	4,752	4,700	4,731	4,650	(80)	4,713	(63)
Service Kilometres (thousands) *	90,266	91,007	90,765	91,644	91,723	79	92,219	(496)
Boarded Passengers (thousands)	216,570	215,891	223,388	229,980	225,552	(4,428)	230,540	(4,988)
CONTRACTOR SERVICES								
Customer								
Overall performance rating out of 10	8.0	7.7	8.1	8.2	8.2	-	-	-
Complaints per 1 m boarded passengers	37.1	46.9	73.0	81.6	109.0	(21.4)	-	-
Preventable collisions per million kms.	8.8	6.9	5.0	6.0	11.2	5.2	-	-
Passenger injuries per 1 million boarded passengers	-	2.12	2.24	1.91	3.06	(1.15)	1.5	1.34
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.3	8.8	9.0	8.9	9.0	0.1	-	-
Delivered service hours/scheduled	99.88%	99.80%	99.94%	99.94%	99.73%	(0.21%)	99.95%	(0.22%)
Internal Effectiveness								
Operating cost per passenger km.	\$0.327	\$0.305	\$0.304	\$0.324	\$0.331	\$(0.007)	\$0.295	\$(0.036)
Operating cost (excluding energy) per passenger km.	\$0.288	\$0.263	\$0.257	\$0.273	\$0.279	\$(0.006)	\$0.248	\$(0.031)
Operating Cost per capacity kilometre	\$ -	\$0.092	\$0.097	\$0.102	\$0.102	\$ -	\$0.104	\$0.002
Boardings per service hour	44.40	48.30	40.50	37.62	37.30	(0.32)	41.90	(4.60)
Utilization (Passenger Kms./Capacity Kms.)	-	30.3%	32.0%	31.3%	30.7%	(0.8%)	33.3%	(4.6%)
Mean distance between vehicle failures	6,548	141,632	9,266	11,341	11,425	84	-	-
Service Statistics								
Service Hours (thousands)	217	225	220	219	219	(0)	220	(1)
Service Kilometres (thousands)	4,773	4,957	5,031	4,834	4,913	59	4,906	7
Boarded Passengers (thousands)	8,406	9,314	8,913	8,360	8,181	(178)	9,208	(1,026)
ACCESS TRANSIT								
Customer								
Overall performance rating out of 10	8.2	7.9	8.2	8.3	8.3	-	-	-
Complaints per 1 m boarded passengers	1,221.8	883.5	913.4	1,097.8	1,045.2	(74)	868.8	(176.4)
Preventable collisions per million kms.	14.4	23.0	19.6	12.7	9.0	3.7	-	-
Passenger injuries per 1 million boarded passengers	10.42	45.71	20.97	28.46	21.23	7.23	26.21	4.98
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.7	8.9	9.1	9.0	9.0	-	-	-
Delivered service hours/scheduled	-	-	100.00%	100.00%	100.00%	-	100.00%	-
Internal Effectiveness								
Operating cost per passenger km.	\$ -	\$6.422	\$6.240	\$6.408	\$6.666	\$(0.258)	\$6.547	\$(0.119)
Operating cost (excluding energy) per passenger km.	\$ -	\$6.110	\$5.866	\$6.021	\$6.278	\$(0.257)	\$6.106	\$(0.172)
Boardings per service hour	2.61	2.47	2.53	2.55	2.51	(0.04)	2.55	(0.04)
Service Statistics								
Service Hours (thousands)	515	594	603	592	581	(11)	598	(17)
Service Kilometres (thousands)	8,667	9,865	10,148	9,865	9,447	(418)	10,057	(610)
Boarded Passengers (thousands)	1,343	1,466	1,526	1,511	1,460	(51)	1,526	(66)

* Service Kilometres for Conventional Transit (Bus) & CMBC were incorrectly reported in the 2012 Year-end Financial & Performance Report (for 2009-2011)

Appendix 2 Rail Operations

RAIL DIVISION	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Fav./Unfav. Year over Year	Budget 2013	Fav./Unfav. Actual vs. Target
TOTAL NAB								
Customer								
Overall performance rating out of 10	8.0	8.3	8.4	8.4	8.3	(0.1)	8.3	-
Complaints per 1 m boarded passengers	7.7	13.2	12.3	10.1	13.0	(2.9)	8.1	(4.9)
On-time performance % (within 5 minutes) Expo/Millennium	95.30%	95.30%	95.10%	95.50%	94.70%	(0.80%)	94.50%	0.20%
On-time performance % (within 5 minutes) WCE	97.80%	97.20%	97.50%	96.90%	98.00%	1.10%	97.50%	0.50%
Collisions and derailments per million kms.	0.05	0.04	0.03	0.03	-	-	-	-
Passenger injuries per 1 million boarded passengers	1.08	0.79	0.92	0.77	0.77	-	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	7.4	7.9	8.0	8.2	8.3	0.1	7.6	0.7
Internal Effectiveness								
Operating cost per passenger km.	\$0.147	\$0.154	\$0.162	\$0.169	\$0.173	\$(0.004)	\$0.167	\$(0.006)
Operating cost (excluding energy) per passenger km.	\$0.139	\$0.147	\$0.154	\$0.161	\$0.164	\$(0.003)	\$0.159	\$(0.005)
Operating Cost per capacity kilometre	-	\$0.953	\$0.037	\$0.039	\$0.040	\$(0.001)	\$0.043	\$0.003
Boardings per service hour	81.0	85.7	88.0	89.0	89.4	0.4	88.6	(9.2)
Utilization (Passenger Kms./Capacity Kms.)	-	-	22.9%	22.8%	23.0%	0.2%	25.7%	(2.74%)
Mean distance between vehicle failures	376,774	558,372	642,884	857,579	873,269	15,690	614,969	258,280
Overall mystery shopper score	88.5%	92.3%	93.6%	92.1%	92.7%	0.6%	92.2%	0.5%
People								
Lost time frequency (per 200,000 hours worked)	3.22	2.43	3.58	4.43	3.97	0.46	3.20	(0.77)
Service Statistics								
Service Hours	1,075,114	1,404,907	1,390,536	1,385,644	1,342,030	(43,614)	1,331,953	10,077
Service Kilometres	42,786,764	55,461,635	54,859,355	54,618,669	52,868,845	(1,749,824)	52,458,373	410,472
Boarded Passengers	87,082,551	120,452,546	122,390,527	123,312,310	119,967,041	(3,345,269)	131,565,115	(11,598,074)
West Coast Express								
Customer								
Overall performance rating out of 10	8.9	8.7	8.6	8.6	8.5	(0.1)	-	-
Complaints per 1 m boarded passengers	114.0	159.9	188.4	196.0	217.9	(21.8)	173.9	(43.9)
Service reliability (% service hours delivered)	100.0%	99.9%	99.8%	100.0%	100.3%	0.3%	99.9%	0.4%
On-time performance within 5 minutes	97.9%	97.2%	97.5%	96.9%	98.0%	1.1%	97.5%	0.5%
Passenger injuries per 1 million boarded passengers	-	2.16	-	0.70	-	0.70	0.33	0.33
Internal Effectiveness								
Operating cost per passenger km.	\$0.191	\$0.190	\$0.190	\$0.185	\$0.197	\$(0.012)	\$0.181	\$(0.016)
Operating cost (excluding energy) per passenger km.	\$0.183	\$0.179	\$0.176	\$0.172	\$0.183	\$(0.011)	\$0.165	\$(0.018)
Operating Cost per capacity kilometre	-	\$0.087	\$0.085	\$0.085	\$0.087	\$(0.002)	\$0.087	\$
Boardings per service hour	67.5	66.5	66.4	69.4	66.7	(2.7)	72.7	(6.0)
Utilization (Passenger Kms./Capacity Kms.)	-	45.9%	44.9%	45.7%	44.0%	(1.74%)	47.8%	(3.8%)
Mean distance between vehicle failures	151,805	189,350	230,518	197,503	274,902	77,399	229,640	45,262
Overall mystery shopper score	86.1%	89.2%	90.4%	86.4%	90.0%	3.6%	87.0%	3.0%
People								
Lost time frequency (per 200,000 hours worked)	-	-	-	-	-	-	-	-
Service Statistics								
Service Hours	38,898	41,298	42,295	41,399	41,213	(186)	41,116	97
Service Kilometres	1,365,076	1,476,010	1,489,204	1,486,686	1,478,759	(8,427)	1,472,405	254
Boarded Passengers	2,623,806	3,782,434	2,807,547	2,872,461	2,750,261	(122,200)	2,987,254	(237,493)
Expo & Millennium Line								
Customer								
Overall performance rating out of 10	7.8	8.1	8.2	8.2	8.1	(0.1)	8.3	(0.2)
Complaints per 1 m boarded passengers	5.1	5.1	4.8	5.5	7.2	(1.7)	5.1	(2.1)
Service reliability (% service hours delivered)	99.5%	99.6%	99.5%	99.6%	99.4%	(0.24%)	99.8%	(0.44%)
On-time performance %	95.3%	95.3%	95.1%	95.5%	94.7%	(0.80%)	94.5%	0.20%
Collisions & Derailments per million kms.	0.05	0.04	0.02	0.02	-	-	-	-
Passenger injuries per 1 million boarded passengers	1.29	1.20	1.41	1.12	1.19	(0.07)	1.10	(0.09)
Perception of Safety (On-Board & At stops and exchanges) out of 10	7.3	7.6	7.8	7.9	8.0	0.1	7.7	0.3
Internal Effectiveness								
Operating cost per passenger km.	\$0.121	\$0.116	\$0.118	\$0.124	\$0.130	\$(0.006)	\$0.131	\$0.001
Operating cost (excluding energy) per passenger km.	\$0.112	\$0.106	\$0.108	\$0.112	\$0.117	\$(0.005)	\$0.119	\$0.002
Operating Cost per capacity kilometre	-	-	\$0.022	\$0.022	\$0.024	\$(0.002)	\$0.026	\$0.002
Boardings per service hour	75.1	66.8	68.5	69.3	69.6	0.3	75.1	(5.5)
Utilization (Passenger Kms./Capacity Kms.)	-	-	18.2%	18.2%	18.4%	0.2%	20.2%	(1.84%)
Mean distance between vehicle failures	224,969	369,022	412,365	665,076	598,368	(66,708)	385,348	213,020
Overall mystery shopper score	90.9%	91.9%	94.3%	94.2%	92.6%	(1.64%)	91.0%	1.6%
People								
Lost time frequency (per 200,000 hours worked)	3.22	2.43	3.58	4.43	3.97	0.46	3.20	(0.77)
Service Statistics								
Service Hours	973,117	1,185,748	1,165,828	1,148,649	1,106,021	(42,638)	1,094,696	11,365
Service Kilometres	39,216,604	47,785,650	46,992,871	46,290,603	44,572,776	(1,717,827)	44,114,702	458,024
Boarded Passengers	73,067,374	79,222,397	79,914,207	79,602,111	77,019,044	(2,588,067)	82,213,153	(5,194,109)
Canada Line								
Customer								
Overall performance rating out of 10	8.5	8.5	8.6	8.7	8.6	(0.1)	8.3	0.3
Complaints per 1 m boarded passengers	-	19.2	15.0	6.0	10.1	(4.1)	2.6	7.5
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.4	8.6	8.5	8.7	8.8	0.1	8.5	0.3
Internal Effectiveness								
Operating cost per passenger km.	\$0.279	\$0.234	\$0.243	\$0.255	\$0.251	\$0.004	\$0.229	\$(0.027)
Operating cost (excluding energy) per passenger km.	\$0.279	\$0.234	\$0.242	\$0.255	\$0.251	\$0.004	\$0.229	\$(0.027)
Operating Cost per capacity kilometre	-	-	\$0.083	\$0.094	\$0.091	\$(0.003)	\$0.095	\$0.004
Boardings per service hour	180.5	216.8	217.5	208.8	206.4	(2.4)	235.3	(28.9)
Utilization (Passenger Kms./Capacity Kms.)	-	-	38.4%	36.8%	36.4%	(0.44%)	41.5%	(5.14%)
Contract adherence monitoring	-	95.7%	96.0%	95.7%	95.6%	(0.14%)	98.5%	(2.94%)
Service Statistics								
Service Hours	63,104	177,331	182,413	195,596	194,796	(800)	196,181	(1,385)
Service Kilometres	2,205,084	6,199,995	6,377,280	6,841,380	6,817,860	(23,520)	6,866,266	(48,406)
Boarded Passengers	11,391,371	38,442,725	39,668,773	40,832,738	40,197,736	(635,002)	46,164,208	(5,966,472)

Appendix 3 Allocated Costs between Divisions

Allocated Cost Breakdown 2009-2013							
(\$ 000s)	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Budget 2013	Variance to Budget
<u>Costs transferred between divisions¹:</u>							
CMBC	(4,281)	(4,212)	13,846	16,553	21,229	20,338	(891)
BCRTC	-	-	-	349	731	665	(65)
WCE	15	14	18	26	69	65	(4)
Police	62	70	8	69	1,453	1,323	(130)
TransLink	4,204	4,129	(13,872)	(16,996)	(23,482)	(22,392)	1,090
Total	-	-	-	-	-	-	-
<u>Costs administered by TransLink and allocated to subsidiaries²:</u>							
CMBC	16,098	17,016	17,685	16,460	14,490	20,601	6,111
BCRTC	4,098	4,126	4,042	3,838	3,418	4,820	1,402
WCE	9,414	10,151	10,963	11,853	13,537	13,435	(102)
Canada Line	988	5,233	160	1,786	395	2,641	2,246
Police	-	-	-	-	1,097	1,206	109
Total	30,598	36,526	32,851	33,938	32,938	42,704	9,766
<u>Total Allocated costs to Subsidiaries from TransLink:</u>							
CMBC	11,817	12,804	31,531	33,013	35,720	40,940	5,220
BCRTC	4,098	4,126	4,042	4,187	4,149	5,486	1,337
WCE	9,429	10,165	10,981	11,879	13,606	13,500	(106)
Canada Line	988	5,233	160	1,786	395	2,641	2,246
Police	62	70	8	69	2,550	2,530	(21)
Total	26,395	32,397	46,722	50,934	56,420	65,096	8,676
¹ Includes Business Technology & Human Resources costs							
² Includes property tax, building leases, insurance, and fare media costs							
* Negatives represent allocations out, positives represent allocations in							

Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward looking statements, including in this document, and in other communications, in addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.